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OF COUNSEL
URBAN A LESTER

June 28, 2007

RECORDATION NO. 25384-A FILED

JUN 28 '07 -11 00 AM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment of Lease Agreement, dated as of June 27, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Equipment Lease previously filed with the Board under Recordation Number 25384.

The names and addresses of the parties to the enclosed document are:

Assignor: Merrill Lynch Capital
222 North LaSalle Street 17th Floor
Chicago, Illinois 60601

Assignee: ALF P-III, Inc.
70 West Madison Street, Suite 2080
Chicago, Illinois 60602

Mr. Vernon A. Williams
June 28, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

10 locomotives: CFE 3880 - CFE 3889.

A short summary of the document to appear in the index is:

Memorandum of Assignment of Lease Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

JUN 28 '07 11:00 AM

MEMORANDUM OF
ASSIGNMENT OF LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made entered into as of June 20, 2007, by and between Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., ("Assignor"), and ALF P-III, Inc. ("Assignee").

WITNESSETH:

1. Assignor has agreed to assign to Assignee, and Assignee has agreed to assume, Assignor's rights and obligations under that certain Equipment Lease dated December 29, 2004 by and between Assignor and RailTex, Inc., (the "Lessee"), pursuant to which Assignor leased ten (10) GP38-2 locomotives bearing CFE reporting marks and the road numbers 3880 through 3889, inclusive, (the "Equipment") to Lessee;

2. Evidence of the Lease has been recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301 and assigned recordation number 25384.

3. This Memorandum of Assignment Agreement shall be effective as of the date first set forth hereinabove.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Assignment Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above.

MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL
LYNCH BUSINESS FINANCIAL SERVICES INC.

By: John T. Lansing
Name: John T. Lansing
Title: VP

ALF P-III, INC.

By: _____
Name: Vincent A. Kolber
Title: President

**MEMORANDUM OF
ASSIGNMENT OF LEASE AGREEMENT**

This MEMORANDUM OF ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made entered into as of June 28, 2007, by and between Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., ("Assignor"), and ALF P-III, Inc. ("Assignee").

WITNESSETH:

1. Assignor has agreed to assign to Assignee, and Assignee has agreed to assume, Assignor's rights and obligations under that certain Equipment Lease dated December 29, 2004 by and between Assignor and RailTex, Inc., (the "Lessee"), pursuant to which Assignor leased ten (10) GP38-2 locomotives bearing CFE reporting marks and the road numbers 3880 through 3889, inclusive, (the "Equipment") to Lessee;

2. Evidence of the Lease has been recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301 and assigned recordation number _____.

3. This Memorandum of Assignment Agreement shall be effective as of the date first set forth hereinabove.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Assignment Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above.

MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL
LYNCH BUSINESS FINANCIAL SERVICES INC.

By: _____

Name: _____

Title: _____

ALF P-III, INC.

By:  _____

Name: Vincent A. Kolber

Title: President

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 27 day of June, 2007, before me the undersigned Notary Public, personally appeared John Lansing, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the Vice President of Merrill Lynch Business Financial Services Inc., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

Kathleen Thomas
(Notary Signature)

My commission expires:
4/10/2010



STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this ____ day of June, 2007, before me the undersigned Notary Public, personally appeared Vincent A. Kolber, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the President of ALF P-III, INC., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

(Notary Signature)

My commission expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this ____ day of June, 2007, before me the undersigned Notary Public, personally appeared _____, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the _____ of Merrill Lynch Business Financial Services Inc., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

(Notary Signature)

My commission expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 21 day of June, 2007, before me the undersigned Notary Public, personally appeared Vincent A. Kolber, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the President of ALF P-III, INC., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.


(Notary Signature)

My commission expires:

